Nuclear issues remained high on the regional agenda in 1996 with the culmination of efforts to bring a definitive end to nuclear testing and continuing opposition to proposals to import nuclear waste. The lack of substantial measures to combat global warming was also cause for concern for island nations. On the economic front, regional leaders were preoccupied with balancing their budgets and attracting investment in the face of slow growth and shrinking overseas development assistance. In terms of security, peaceful settlement of the conflicts in Bougainville and Irian Jaya proved as elusive as ever, while Vanuatu experienced difficulties controlling its mobile force. Meanwhile, a regional seminar on decolonization produced mixed reports on progress toward self-determination in the remaining non-self-governing territories.

The year proved very rewarding for the region's long-standing antinuclear crusade in several ways. The first sign of progress was President Chirac's announcement at the end of January, after the sixth and final test in the series, that France would explode no more nuclear devices in the Pacific. This commitment gained credibility with France's signature of the protocols to the South Pacific Nuclear Free Zone Treaty (SPNFZ) in March, with the United Kingdom and the United States also signing at the same ceremony in Suva. France ratified the treaty in September. In 1996 Vanuatu and Tonga were among the last regional nations to sign the treaty, although the Marshall Islands reiterated its refusal to do so.

SPNFZ, or the Treaty of Rarotonga, was established by the Forum countries in 1985. Its protocols commit the five declared nuclear-weapon states, including China and Russia, which signed several years ago, not to use or threaten to use nuclear weapons against parties to the treaty. Signatories to the protocols are also prohibited from testing, manufacturing, or permanently stationing nuclear warheads in the zone. However, the treaty does allow the transit of nuclear-armed planes and ships, including stopovers in SPNFZ member countries. It also permits the testing of nuclear-weapon delivery systems, for example, the splashdown of missiles in the Pacific Ocean.

After it ceased nuclear testing, France (unlike other nuclear-weapon states) began dismantling its test sites at Moruroa and Fangataufa in French Polynesia. In addition, France gave full cooperation and substantial funding for a mission of the International Atomic Energy Agency to undertake a comprehensive radiological survey of the former test sites. The mission's task is to ascertain the extent of radioactive residues in the atoll environment and the potential hazards these pose over the long term. More than seventy-five scientists from twenty different countries participated in the study, includ-

ing a representative from the South Pacific Forum. On the basis of this study the agency will make recommendations to France on the need for further monitoring or follow-up action.

In a separate initiative, the Tahitian Protestant Church and local nongovernment organization Hiti Tau launched a study to examine the consequences of French testing for the health of French Polynesians, with a focus on site workers and people living in the vicinity of the test sites. The study was cosponsored by the World Council of Churches and was undertaken by two social economists from the Netherlands who interviewed some one thousand people. The report was due for release in January 1997, but the French government has already slammed the study's preliminary findings, which it viewed as biased. France denies that testing has had any negative impact on the environment or health of local inhabitants and will not acknowledge the legitimacy of claims for compensation on this basis.

The global campaign against nuclear weapons was given further momentum by the International Court of Justice, which declared nuclear weapons to be generally in contravention of international law. Moreover, the July ruling held that the nuclear powers should expedite negotiations leading to total nuclear disarmament. The decision was advisory rather than legally binding, yet its message was reinforced by the Canberra Commission for the Elimination of Nuclear Weapons, which issued its recommendations in August. The commission also called for nuclear disarmament, with immediate steps to include taking nuclear forces off alert, removing warheads from missiles, and agreeing to no-first-use undertakings. The commission urged action to prevent the spread of nuclear weapons, to create verification mechanisms for a nuclear-weapon-free world, and to ban production of fissile material for nuclear devices.

One of the most positive developments for both regional and global efforts to outlaw nuclear testing for ever, was the adoption of the Comprehensive Test Ban Treaty by the United Nations General Assembly in September. It passed with 158 in favor, 5 abstentions, and 3 against. All five nuclear-weapon states proceeded to sign the treaty and were soon followed by more than one hundred other countries. The treaty requires ratification by 44 specified nuclear-capable countries before it can enter into force. Unfortunately, one of those countries is India, which has decided to boycott the treaty indefinitely. Nevertheless, overwhelming international support for the test ban is likely to deter countries from live testing.

In tandem with its cooperation on the test ban, France launched a broader charm offensive in the Pacific Islands to redeem its reputation after the 1995 test series. Following a meeting of French regional officials in April, the parameters of the new strategy became evident. French aid to the region would double, with a focus on training, environment, telecommunications, renewable energy, fisheries surveillance, and joint military exercises. This confirmed France's status as the fourth largest aid donor to the region after Australia, Japan, and New

Zealand. In addition, French ministers plan to make more regular visits to island governments. France contrasted its renewal of commitment with the gradual withdrawal of the British and US presence.

The French diplomatic initiative was thrown off balance by mid-year, as it became clear that no consensus existed among island governments to readmit France as a partner in the post-Forum dialogue meeting, scheduled for September. Nevertheless, at the Twenty-Seventh South Pacific Forum held in Majuro, the capital of the Marshall Islands, leaders finally decided to lift the eleven-month suspension of France's status as a Forum dialogue partner. This decision was in recognition of French moves to end testing, sign SPNFZ, sponsor a radiological survey of the sites, and support a test ban. With only two days' notice, France mustered a ministerial-level delegation in time to attend the dialogue meeting. It appears the ranks of Forum dialogue partners will soon expand to include Malaysia, following an expression of support for this move at Majuro.

The nuclear-testing era appears to have ended, but other nuclear issues still preoccupy island states. Despite the Forum's adoption of the Waigani convention banning the import of hazardous wastes to the region, the Republic of the Marshall Islands has not relinquished plans to study the feasibility of an enterprise to import and store nuclear waste. Although the United States thwarted Marshall Islands proposals to import high level nuclear waste, two leading US congressmen have since lent their support to a revised plan to import low-level wastes. In deference to their host and the Pacific Way, island leaders did not focus on Marshallese nuclear-waste plans at the Forum. Instead, the official communiqué reminded the United States of its special responsibility toward the Marshallese people because of the adverse effect of nuclear testing in their islands.

In a related development, in June the region was alerted to a new threat in the form of plans by an American company to store nuclear waste on Palmyra, an uninhabited atoll three hundred miles north of the easternmost part of Kiribati and seven hundred miles south of Hawai'i. Palmyra is a US possession administered by the Department of the Interior. The Kiribati government and Hawai'i delegates to the US Congress expressed grave concern over the proposal to store American and Russian plutonium at the atoll. In its communiqué from Majuro, the Forum sought a firm commitment from the United States that Palmyra not be used as a dump site. In 1979, the Forum strongly opposed a similar proposal to store spent nuclear fuel at Palmyra.

A pressing environmental issue on the island agenda in 1996 remained that of the greenhouse effect and its consequences for global climate change. For low-lying atoll nations this is of particular concern, especially in view of new studies issued early in the year. A comprehensive report by the Intergovernmental Panel on Climate Change (IPCC) predicts a sea-level rise of half a meter by the year 2100. Long before the ultimate threat of inundation eventuates, atolls would become

uninhabitable due to salinization of their land and fresh water. A separate United Nations study indicated the pace of global warming, with 1995 registering as the hottest year since records were first kept in 1861. A major study completed by the Johns Hopkins University and the American Medical Association confirmed fears that climate change will accelerate the spread of infectious mosquito-borne diseases such as malaria and dengue fever.

In view of the anticipated scope and impact of global warming, island nations pressed for greater action at both regional and international levels. The South Pacific Regional Environment Program convened a meeting of international climate change experts in Apia in June. It concluded more work had to be done on collecting data and assessing island vulnerability to sea-level rise and changes in rainfall and temperature. The meeting also urged island nations to begin preparing for these challenges. In mid-year, curriculum experts, teachers, and authors from Forum countries also met for a regional workshop to develop a climate-change curriculum for schools. Though these regional efforts have merit, island nations are aware that the onus for action lies with industrialized nations and their preparedness to reduce greenhouse gas emissions.

More than one hundred fifty countries signed the Framework Convention on Climate Change at the Rio Earth Summit in 1992, which committed signatories to cutting emissions to 1990 levels by the turn of the century. Since then, it has become apparent that greater cuts are needed to prevent potentially catastrophic increases in global warming. As yet no agreement is forthcoming over the extent of legally binding targets for nations to reduce greenhouse gas emissions. Time is running out, as the deadline to reach an agreement is December 1997.

Australia is an example of a country (Japan is another) that is trying to tailor mandatory targets to minimize its own burden. At the Intergovernmental Panel on Climate Change, Australia is pushing for a policy of differentiation, whereby different targets are imposed on nations in relation to their ability to comply. As a country highly dependent on coal and other greenhouse-gas-intensive products, Australia will not accept mandatory targets that would jeopardize its economic and trade interests. Australia has also asked that developing countries take on their share of the burden of reductions, as they will account for over half the world's greenhouse gas production by the year 2000.

The Alliance of Small Island States advocates drastic cuts, calling for a 20 percent reduction in 1990 gas emission levels by the year 2005. This proposal is unlikely to receive serious consideration at the IPCC negotiations. The Majuro Forum highlighted climate change as a crucial issue in need of urgent action. Island leaders were irritated by, and ultimately rejected, Australia's attempts to water down the wording of the final communiqué on global warming. Instead they stuck to their call for an acceleration of negotiations on a legally binding protocol to achieve significant progress toward lowering greenhouse gas emissions.

Economically, the Pacific Island

nations continue to face a series of challenges. A policy paper presented to the Majuro Forum was not optimistic on this score. Regional economic growth ranged from 2 percent to 4 percent in the year 1994–95, and the Asian Development Bank predicted a similar pattern over the subsequent two years. Growth in tourism had slowed, with some countries experiencing major downturns in this sector. The French test series was a factor contributing to the slump in tourism. In addition, there was widespread fatigue on the part of aid donors. Aid receipts fell by 2 percent per year in real terms in the decade to 1993.

Whereas some countries like France and Japan have increased their development assistance to the region, including to the Forum's operations, other sources of aid are drying up. A notable example is that of the United States, as the Republicans slashed funding to international lending organizations and United Nations agencies. The flow-on effects of these measures will inevitably be felt in the Pacific. In particular, the decision by Congress to cut the funds of the East-West Center in Hawai'i by more than 50 percent has had a direct impact on the Pacific Islands Development Program because the center is its major sponsor. Nevertheless, the Pacific Island Leaders conference held in Nadi in July decided to continue supporting the program with their own funds and those provided by other external sponsors.

Development assistance for regional projects promised back in 1991 by the European Union under the Lomé Convention has also been delayed. More important, continuing assistance under Lomé is in doubt, with current financial arrangements due to expire in the year 2000. The Lomé Convention was agreed to in 1975 as an instrument through which Europe could channel aid to seventy African, Caribbean, and Pacific countries. The European Union has placed these countries on notice that it intends to craft a new relationship post-2000. The eight Pacific Island members of the African, Caribbean, and Pacific group are deeply concerned about Lomé being terminated without a successor to supply what, to date, has been a lucrative source of aid and trade preferences. The Forum Secretariat is assisting the eight in their quest to deal with possible changes to their relationship with the European Union.

Of great concern to island nations was the likelihood of cuts to aid by the region's primary donor, Australia. The Liberal-National party coalition elected in March was bent on making massive cuts to all public service sectors in a bid to rein in the national budget deficit. As a result, the aid budget was cut by A$114.4 million or 10 percent in real terms. Yet regional leaders (especially in Port Moresby) breathed a collective sigh of relief as assistance to the Pacific Islands, which accounts for roughly one third of the entire aid budget, was subject to a cut of only 3 percent. Still, there is no room for complacency, as Australia's aid program is undergoing a major review, after which the level, and certainly the nature, of funding to the Pacific will once again come under scrutiny. Overall, aid donors are becoming tougher in the conditions

placed on development assistance.

Regional economic woes were compounded by several nations experiencing financial crises that could not be attributed to external factors alone. In a disturbing trend, the Cook Islands, Vanuatu, and the Marshall Islands were subject to debilitating letters-of-credit scams. The Cook Islands government laid off public servants, reined in expenditure, and began to sell off assets in a bid to deal with a crippling deficit. Nauru's financial situation also deteriorated dramatically, largely due to poor investment of its phosphate monies in recent years. Papua New Guinea struggled to meet the strict criteria imposed on a major loan by multilateral lending agencies, while the Solomons still faced an uncertain future in view of its dependence on limited forestry resources.

The former US trust territories in Micronesia were also subject to economic setbacks. Palau's misfortune was the sudden collapse of the bridge that links the capital in Koror to the country's largest island, Babeldaob, where its airport and main utilities are. However, Palau can look forward to substantial monies from the United States, under the terms of the Compact of Free Association, to tide it over the crisis. The outlook was less bright for the Marshall Islands and the Federated States of Micronesia, which are resource-poor atoll nations whose funding from the US Compact is soon to end. With the death in November of their paramount chief and president, Amata Kabua, the Marshallese will have their difficulties compounded by the issue of leadership succession.

In the face of economic adversity, including dwindling aid receipts, regional nations continued to debate or devise various strategies to promote viable economic development. In a meeting of regional finance ministers at the end of 1995, agreement was reached on a project to enable liberalization of regional trade. Once again ministers focused on the need for political commitment and action to establish the appropriate role and size of national public services. They also recognized the benefits of working toward greater accountability and transparency in the public sector, especially with a view to encouraging investment. The meeting made a commitment to provide regular national investment policy statements to the Forum Secretariat to facilitate this process.

The theme of the 1996 Forum, "Pacific solidarity for the common good," was most in evidence with respect to the economic agenda. At Majuro it was agreed that ministers with economic portfolios meet annually prior to the Forum and report their results. The leaders supported a proposal by Prime Minister of Papua New Guinea Sir Julius Chan for the islands to establish a system of trade preferences and technical cooperation with the Asia Pacific Economic Cooperation (APEC) body. Moreover, the Forum announced its aim of bringing members' national policies in line with APEC investment principles by 1998. Tariff reform was also viewed as critical to keep the region in step with the pace of global trade liberalization. Cooperation was absent, however, when it came to achieving regional consensus on developing multilateral

arrangements for charging fees to distant-water fishing nations.

In keeping with past practice, Australia weighed into the debate over how to improve the regional economic outlook. Under the new coalition government, responsibility for the region reverted to the Foreign Ministry after the Ministry for Development and the Pacific Islands was closed down. Policy toward the Pacific did not change significantly, however, as familiar themes were invoked by the new foreign minister, Alexander Downer. He argued that for all but the smallest countries trade liberalization, greater investment, and stronger private-sector activity were more important than foreign aid. Developing a culture of entrepreneurship would be central to this process. Downer emphasized that the overriding priority for the region was to implement economic reforms agreed to at previous Forum meetings in Brisbane and Madang.

Year's end saw the region's finance ministers receiving more advice on how to improve their economic management at a workshop held by the World Bank in Washington, DC. The ministers received a stern reminder of the generally poor state of island finances in terms of debt levels, low foreign currency reserves, and insufficient encouragement of foreign investment. The main message from the bank was to hold down expenditure, especially on the bureaucracy, spend more on health and education, and reduce subsidies to state-run enterprises.

In a proactive move by Forum countries to improve their prospects, the South Pacific Economic Exchange Support Centre was opened in Tokyo in October. Japan is already the largest Asian investor in the Pacific and the largest market for island exports. The new center will provide investment information about the Pacific and endeavor to attract more Japanese business and tourism to the region. At the same time, it is hoped that it will identify and facilitate access to new market outlets in Japan for Forum member exports. Plans are afoot to create similar economic liaison centers in Brussels and Beijing.

The two key regional organizations are undergoing a period of major internal reform. The Forum Secretariat proceeded with restructuring in line with recommendations from the UN Economic, Social and Cultural Council for Asia and the Pacific (ESCAP) that were approved by the Madang Forum in 1995. Key changes involved phased removal of the organization's technical services to allow the secretariat to focus on economic research, policy advice, and external relations. By the end of 1996, the new-look secretariat had divested itself of civil aviation, maritime, and telecommunications services. The remaining divisions expanded their policy advisory roles in development and economic policy, political and international affairs, trade and investment, and corporate services.

On the eve of the South Pacific Commission's fiftieth birthday, it too was set to downsize and restructure following a review by ESCAP. The thirty-sixth SPC conference, held in Saipan in October, endorsed prospective changes. These include reducing the management posts from three to two and the deputies from two to one.

The title of secretary-general will change to director-general. In view of full authority being transferred to the director-general, the management committee is to be abolished. The hitherto annual conference will be held every two years, and the Committee of Representatives will meet once a year instead of twice. Overall, the commission will endeavor to increase transparency of its operations and to improve budget management and reporting to its donors. It is mooted that the commission's name will be changed to better reflect its purpose and geographic representation.

In 1996, parts of the Pacific once again failed to live up to the region's name in terms of security developments. Heading the list of regional hot spots was Bougainville. Following the Papua New Guinea government's lifting of the ceasefire in March, the security forces mounted a major offensive in June in an effort to overcome the Bougainville Revolutionary Army (BRA). The conflict worsened with the massacre of a dozen PNG soldiers at Kangu beach in September. These killings were later found to have been instigated by anti-BRA resistance militia whom Papua New Guinea had itself funded and trained. Prospects for reviving the peace process finally plummeted with the October assassination of Theodore Miriung, the moderate leader of the Bougainville Transitional Government. An official inquiry has since implicated PNG soldiers in Miriung's death. As Miriung was the key mediator between the PNG government and the Bougainville Revolutionary Army, the quest for a peaceful settlement of the civil war has suffered a massive setback. (See reviews of Papua New Guinea and Solomon Islands, this issue.)

In a lesser but still serious incident in October, the Vanuatu Mobile Force abducted the president and acting prime minister at gunpoint. This act of rebellion was in response to the government's alleged failure to pay outstanding wages to the force. The soldiers involved were given an amnesty. A month later another abduction took place, this time of an Australian adviser. In both cases the abductions were shortlived. Nevertheless, with a view to deterring future insubordination, Vanuatu's police force arrested the mobile force's officer corps in November. Most were released after taking a fresh vow of allegiance, but in late December twenty-four of the officers were still in custody awaiting charges. Justice Minister Walter Lini had called on Australia to provide assistance for the mass arrest, but in the absence of a firm response, the Vanuatu police proceeded alone. (See Vanuatu review, this issue.)

The troubles in Irian Jaya continued, with hostage taking by the Free Papua movement (OPM) and other forms of unrest. Two peoples were kidnapped in November 1995, but were released in January. On 8 January an OPM group led by Kelly Kwalik kidnapped another 26 people in the vicinity of the Freeport–Rio Tinto Zinc Copper and Gold mine. In a list of demands the Free Papua movement called for: a review of the process by which West Papua was annexed by Indonesia; demilitarization of the province; an end to Indonesian trans-

migration; and the cessation of Freeport's operations. By the time the International Center for the Red Cross took over mediation in February, 13 of the hostages had been released with a further 2 freed in March. The 11 remaining in captivity included 6 Europeans. Although mediation efforts were continuing, Indonesia set up a task force of several hundred troops to prepare for a military solution. Regional governments and the United Nations urged Indonesia to negotiate a settlement.

The Red Cross had apparently gained an agreement for release of the hostages on 8 May, but on the day Kwalik declared that the release would not proceed until a free West Papua was recognized. The Red Cross then ceased their mediation efforts, at which point Indonesia launched its military operation. The hostage crisis ended on 15 May, when nine of the hostages were freed and two Indonesian hostages were killed by the Free Papua movement. Several hostage takers were also killed by the military, and Amnesty International expressed concern over the well-being of two other men arrested during the operation. Amnesty issued unconfirmed reports of military retaliation against indigenous people both before and after the rescue, in which villagers were killed and houses burned. This tragic episode is reminiscent of the 1987 taking of hostages by Kanaks in Ouvea and the subsequent French military rescue operation that resulted in many deaths.

Unrest also increased among other elements of the West Papuan population. The Amungme Tribal Council LEMASA (representing people in the Freeport area) criticized the Indonesian National Commission for Human Rights for its limited findings on atrocities committed against local people in 1995. LEMASA noted the commission's failure to link human rights abuses by the military to the operations of the Freeport mine. Apart from concerns over human rights and environmental degradation, local people believe they are not receiving adequate compensation and employment from the mine. As a result, there have been riots and demonstrations in towns near the mine. The parallels with Bougainville are painfully clear. In a separate development, a West Papuan activist died in a Javanese prison in March. Thomas Wainggai was the leader of a 1988 attempt to declare West Papuan independence and was thus given a twenty-year sentence. His death and the return of his body to Jayapura, the capital of Irian Jaya, sparked days of rioting. (See Irian Jaya review, this issue.)

West Papua was not discussed by the Pacific Regional Seminar of the UN Decolonization Committee, held in Port Moresby in June, because it is not on the UN list of non-self-governing territories. French Polynesia is absent from the list too, but this was noted as an anomaly by Sir Julius Chan. The UN committee was urged to expedite a satisfactory resolution to the East Timor question. On a positive note, the meeting praised Tokelau's progress toward a status of free association with New Zealand. The seminar was also well disposed toward the Matignon Accords, yet voiced concern over the high level of immigration to New Caledonia. Participants recommended

a fact-finding mission, continuing UN support for self-determination, political education, and fair conduct of the forthcoming referendum in the French territory. The right to Chamorro self-determination in Guam was supported, and the seminar advocated that a UN mission be sent to the US territory. The onus is on the administering powers to facilitate self-determination for Pacific territories before the UN Decade for the Eradication of Colonialism terminates in the year 2000.

KARIN VON STROKIRCH

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